

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	PUAEE ROAD
Project Address	45-252 A to E and 45-270 A to G Puaae Road Kaneohe, Hawaii 96744
Registration Number	7242 (Conversion)
Effective Date of Report	June 12, 2012
Developer(s)	KEITH S. OKUMURA and SUSAN K. OKUMURA MITZI M. OKUMURA

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.
2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediate adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.
3. The Project is subject to an Existing Use Permit. See Exhibit "G" for additional information.
4. The Developer has reserved the right to subdivide a portion of the Project (Limited Common Element 1 appurtenant to Unit 270F). If the subdivision occurs, then the same area/lot will be removed from the Project. See Exhibit "H" for additional information.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report.....	1
General Information On Condominiums.....	2
Operation of the Condominium Project.....	2
1. THE CONDOMINIUM PROJECT.....	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units.....	3
1.4 Parking Stalls.....	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities.....	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title.....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters.....	6
1.15 Conversions	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility.....	8
2. PERSONS CONNECTED WITH THE PROJECT.....	9
2.1 Developer.....	9
2.2 Real Estate Broker.....	9
2.3 Escrow Depository.....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime	10
3.2 Bylaws of the Association of Unit Owners	10
3.3 Condominium Map.....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents.....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT.....	12
4.1 Management of the Common Elements	12
4.2 Estimate of the Initial Maintenance Fees.....	12
4.3 Utility Charges to be Included in the Maintenance Fee.....	12
4.4 Utilities to be Separately Billed to Unit Owner	12
5. SALES DOCUMENTS.....	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants.....	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion.....	14

TABLE OF CONTENTS

	Page
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance.....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing.....	14
5.7 Rights Under the Sales Contract	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract.....	17
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A:	Description of Units; Common Interest
EXHIBIT B:	Common Elements; Limited Common Elements
EXHIBIT C:	Encumbrances Against Title
EXHIBIT D:	Summary of Sales Contract
EXHIBIT E:	Summary of Escrow Agreement
EXHIBIT F:	City and County of Honolulu, Department of Planning and Permitting Letter dated November 9, 2010
EXHIBIT G:	Existing Use Permit - Summary of Applicable Conditions with attachments
EXHIBIT H:	Reserved Subdivision Rights
EXHIBIT I:	Architect Inspection Report dated April 17, 2012
EXHIBIT J:	Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	45-252 A to E and 45-270 A to G Puu'ae Road Kaneohe, Hawaii 96744
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 4-5-084-046
Tax Map Key is expected to change because	Addition of CPR Nos.
Land Area	124,953 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	11 structures - 1 spatial
Floors Per Building	1 except 2 for unit 270A
Number of New Building(s)	0
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	wood, tile and other allied building materials.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
See Exhibit A .						

12	Total Number of Units
----	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stall in the Project:	27
Number of Guest Stalls in the Project:	3
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit:
The boundary of each unit is the exterior finished surfaces of the units perimeter walls, floors, roof, doors, and foundations. The boundary of the spatial unit is the same as its limited common element land area boundary.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
Non-structural interior alterations do not require any consent. There are restrictions and limitations on exterior alterations and renovations. See Section 19.0 and Exhibit E of Declaration.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit A _____.

As follows:

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit B.

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit B.

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: Domestic pets are permitted. Bylaws, Art. V, Section 12.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Fence Master Plan. See House Rules.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C describes the encumbrances against title contained in the title report described below.

Date of the title report: May 10, 2012

Company that issued the title report: Fidelity National Title Insurance Company, Inc.

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Described in Exhibit B .

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: Domestic pets are permitted. Bylaws, Art. V, Section 3.A(10).
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Fence Master Plan. See House Rules.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C describes the encumbrances against title contained in the title report described below.

Date of the title report: May 10, 2012

Company that issued the title report: Fidelity National Title Insurance Company, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	11	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-7.5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Other (Specify): spatial	1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-7.5
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>The Existing Use Permit permits a structure to be rebuilt if it is damaged or destroyed. See Exhibit "G" attached hereto.</p>			

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	<input checked="checked" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable
Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: See Architect's Inspection Report attached as Exhibit "I".	
Developer's statement of the expected useful life of each item reported above: No statement is made by the Developer.	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as Exhibit <u>F</u> is a verified statement signed by an appropriate county official which states that either:
(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p>
(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

1.16 Project In Agricultural District

Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation.	
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.	
The nature and the scope of services to be provided.	
Additional costs, directly attributable to the services, to be included in the association's common expenses.	
The duration of the provision of the services.	
Other possible impacts on the project resulting from the provision of the services.	
Other disclosures and information.	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: KEITH S. OKUMURA and SUSAN OKUMURA MITZI M. OKUMURA Business Address: 45-252B Pu'aa'e Road Kaneohe, Hawaii 96744 Business Phone Number : (808) 368-0793 (Keith) E-mail Address: kokumuraa3@hawaii.rr.com (Keith)
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	
2.2 Real Estate Broker	Name: Larry Thomas, Prudential Locations LLC Business Address: 614 Kapahulu Avenue Honolulu, Hawaii 96815 Business Phone Number: (808) 739-4185 E-mail Address: Larry.Thomas@pruhawaii.com
2.3 Escrow Depository	Name: Fidelity National Title Insurance Company, Inc. Business Address: 201 Merchant Street, Suite 2100 Honolulu, Hawaii 96813 Business Phone Number: (808) 536-0404
2.4 General Contractor	Name: Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Hawaii First Inc. Business Address: 800 Bethel Street, Suite 501 Honolulu, Hawaii 96813 Business Phone Number: (808) 531-5566
2.6 Attorney for Developer	Name: Michael H. Sakai Business Address: 201 Merchant Street, Suite 902 Honolulu, Hawaii 96813 Business Phone Number: (808) 531-4171

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	October 29, 2011	A-45180815

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	October 29, 2011	A-45180816

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	5082
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	October 29, 2011
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>Developer reserved the right to:</p> <p>To subdivide land (Section 22.0 of Declaration); to remove land from the Project (Section 22.1 of Declaration); to make a partial cancellation of Condominium Project (Section 22.2 of Declaration) and to grant easements; make corrections to the Project Documents; and to make changes to the Project Documents to comply with applicable law. See Section 25.0 of Declaration.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

The initial Condominium Managing Agent for this project is (check one):

<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit J contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>D</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: May 17, 2012 Name of Escrow Company: Fidelity National Title & Escrow of Hawaii, Inc. Exhibit <u>E</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	A contract could be terminated upon which event all deposits would be returned to the purchaser.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements:

NONE

Appliances:

None.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: The Units were constructed on or around: 45-252-A thru 45-252-E - mid 1960's; 45-270A - 1940's; 45-270B - 1950's; 45-270C - 1930's; 45-270D - 1950's; 45-270E - 1950's; and 45-270F - recently removed
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. <i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A</p> <p><input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B</p> <p><input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Existing Use Permit (EUP 95/EU-1)

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.
(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

MAINTENANCE FEES. The maintenance fees shown in Exhibit "I" are only estimates. It is not uncommon to see an increase in fees after the first year of operation. The Developer reserves the right to pay for actual cost associated with the Project rather than commence maintenance fees. Maintenance fees would only commence after the Developer (or managing agent) has provided at least 30 days prior notice to both the owners and the Real Estate Commission.

SUBDIVISION. The Developer has reserved the right to subdivide and subsequently remove Limited Common element 1 from the Project. The subdivision improvements would cause dust and noise to the area and along Pu'aae Road, require the relocation of utilities and water meters, change the yard areas fronting Pu'aae Road, and other improvements and changes. Each prospective Purchaser would be subject to each of the foregoing.

LEAD WARNING STATEMENT. Pursuant to federal law, 42 U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazard is recommended prior to purchase". The Developer discloses that he does not have an assessment or inspections relating to lead-based paint.

HAZARDOUS MATERIALS. The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutant, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Each prospective purchaser acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the units, or in, under or around the Project. Because of the possible presence of such substances, the Purchaser should have the unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the unit or in the Project or anything installed or contained therein and the each prospective purchaser expressly releases the Developer from any liability to the Purchaser if any hazardous materials are discovered.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

KEITH S. OKUMURA, SUSAN OKUMURA
MITZI M. OKUMURA

Printed Name of Developer

By: 
Duly Authorized Signatory*

5-9-12
Date

KEITH S. OKUMURA, Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.

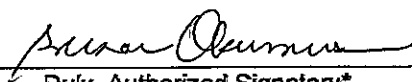
The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

KEITH S. OKUMURA, SUSAN OKUMURA
MITZI M. OKUMURA

Printed Name of Developer

By:  5-9-12
Duly Authorized Signatory* Date

SUSAN OKUMURA, Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

KEITH S. OKUMURA, SUSAN OKUMURA
MITZI M. OKUMURA

Printed Name of Developer

By:



Duly Authorized Signatory*

6.9.12

Date

MITZI M. OKUMURA, Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.

EXHIBIT "A"

Description of Units

The Project contains the following units:

1. Unit 252A. Unit 252A consists of one freehold estate containing a residential structure consisting of 2 bedrooms, a kitchen/dining room, living room, 1 bathroom, laundry area, porch, and carport. The net living area of this unit is approximately 704 square feet, the porch is approximately 49 square feet, the landing is approximately 50 square feet, and the carport is approximately 213 square feet. This unit has 2 parking stalls (1 is tandem).
2. Unit 252B. Unit 252B consists of one freehold estate containing a residential structure consisting of 3 bedrooms, kitchen, dining room, living room, one and one-half bathrooms, patio with laundry area, porch and a carport. The net living area of this unit is approximately 986 square feet, the patio is approximately 145 square feet, the porch is approximately 55 square feet, and the carport is approximately 250 square feet. This unit has 2 parking stalls (1 is tandem).
3. Unit 252C. Unit 252C consists of one freehold estate containing a residential structure consisting of 3 bedrooms, a kitchen/dining room, living room, 1 bathroom, laundry area, porch and carport. The net living area of this unit is approximately 748 square feet, the porch is approximately 54 square feet, the laundry area is approximately 48 square feet, and the carport is approximately 200 square feet. This unit has 2 parking stalls (1 is tandem).
4. Unit 252D. Unit 252D consists of one freehold estate containing a residential structure consisting of 3 bedrooms, a kitchen/dining room, living room, 1 bathroom, porch, laundry area and carport. The net living area of this unit is approximately 748 square feet, the porch is approximately 92 square feet, the laundry area is approximately 57 square feet, and the carport is approximately 203 square feet. This unit has 2 parking stalls (1 is tandem).
5. Unit 252E. Unit 252E consists of one freehold estate containing a residential structure consisting of 2 bedrooms, a kitchen/dining room, living room, family room, 1 bathroom, laundry area, porch, and carport. The net living area of this unit is approximately 704 square feet, the porch is approximately 86 square feet, the laundry area is approximately 32 square feet, and the carport is approximately 213 square feet. This unit has 2 parking stalls (1 is tandem and 1 is a compact stall).
6. Unit 270A. Unit 270A consists of one freehold estate containing a 2-story residential structure with a basement, consisting of 5 bedrooms, a kitchen, dining room, living room, family room, 2 bathrooms, laundry/storage area with a toilet and shower, porch, lanai and carport. The net living area of this unit is approximately 2,863 square feet, the lanai is approximately 270 square feet, the porch is approximately 114 square feet, the basement is approximately 350 square feet, and the two car carport is approximately 371 square feet.
7. Unit 270B. Unit 270B consists of one freehold estate containing a residential structure consisting of 2 bedrooms, a kitchen, dining/living room, 1 bathroom, a porch, laundry area, and a carport. The net living area of this unit is approximately 696 square feet, the laundry area is approximately 43 square feet, the porch is approximately 50 square feet, and the two car carport is approximately 315 square feet.
8. Unit 270C. Unit 270C consists of one freehold estate containing a residential structure consisting of 2 bedrooms, a kitchen, a dining room, living room, 1 bathroom, a dressing room with shower, a porch and laundry area. The net living area of this unit is approximately 812

square feet, the porch is approximately 42 square feet, and the laundry area is approximately 65 square feet. This unit has 2 parking stalls (1 is tandem).

9. Unit 270D. Unit 270D consists of one freehold estate containing a residential structure consisting of 2 bedrooms, a kitchen, dining room, living room, 1 bathroom, porch and laundry area. The net living area of this unit is approximately 845 square feet, the porch is approximately 50 square feet, and the laundry area is approximately 57 square feet. There is also storage of approximately 15 square feet. This unit has 2 open parking stalls.

10. Unit 270E. Unit 270E consists of one freehold estate containing a residential structure consisting of 3 bedrooms, a kitchen, living room, 1 bathroom, laundry area and porch. The net living area of this unit is approximately 760 square feet, the laundry area is approximately 66 square feet, and the porch is approximately 59 square feet. This unit has 2 open parking stalls (both are compact stalls).

11. Unit 270F. Unit 270F consists of one freehold estate consisting of a unit or spatial area which has been designated for separate ownership, the horizontal boundaries (footprint) of which is the same as the limited common element land area boundary for Unit 270F (area of 11,362 square feet) as further described and located in the Condominium Map. The height and/or vertical limit of the unit is the horizontal plane that is twenty-five (25) feet above the finished grade of the floor area enclosed by the horizontal boundaries of the spatial unit. The net area of this spatial unit is approximately 11,362 square feet. This unit may be replaced by a physical structure (which includes a dwelling) as further described in Section 19.0 of the Declaration. There is a dwelling being removed from the Project which is being replaced by a "spatial" unit. If there is an improvement presently shown in the Condominium Map this is only because it has not been removed as of the date this Declaration was recorded at the Recording Office. This unit has 2 parking stalls (1 is tandem).

NOTE: The improvements referred to above was removed in May, 2012.

12. Unit 270G. Unit 270G consists of one freehold estate containing a residential structure consisting of 3 bedrooms, a kitchen, living room, 1 bathroom, laundry area, and porch. The net living area of this unit is approximately 896 square feet, the laundry area is approximately 32 square feet, the porch is approximately 75 square feet, and the carport is approximately 143 square feet. This unit has 2 parking stalls (1 covered).

13. Carports. The carports for a unit may not be sufficient to provide cover for the entire length of a vehicle. This is also the case for any tandem parking. A prospective unit owner should view the parking arrangements and determine if the carport, if any, and pad or area for the parking of his/her vehicles is adequate.

14. Interior Walls and Components. Due to the age of the structures and in some instances the lack of records and other information, the location of some interior walls of units and/or location of electrical, plumbing and mechanical components may differ slightly from what is shown on the Condominium Map.

Common Interest

<u>Unit No.</u>	<u>Common Interest</u>
252A	8.333%
252B	8.333%
252C	8.333%
252D	8.333%
252E	8.333%
270A	8.333%
270B	8.333%
270C	8.333%
270D	8.334%
270E	8.334%
270F	8.334%
270G	8.334%
<hr/>	
Total	100.000%

EXHIBIT "B"

Common Elements

The "common elements" of the Project are as follows:

1. Land. The land described in Exhibit "A" to the Declaration in fee simple and the driveways as shown on the Condominium Map. A portion of the land is subject to removal as described in Section 22.1. of the Declaration.
2. Utilities. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage, cable television, and like utilities which services more than one unit and any easements for such utility service, if any.
3. Easements. The common easements for drainage and all common or shared installations for underground or above ground utilities, which run upon, over or under the limited common elements of a unit, if any.
4. Other Common Elements. Any and all other structures, improvements, apparatus and installation of common use, including but not limited to the guest parking stalls, the roadways, and other improvements associated therewith, including landscaping, and all other parts of the Project necessary or convenient to the existence, maintenance and safety of the Project, or normally in common use. The location and installation for utilities may change in accordance with Sections 6.0(c), (f), 8.2(g) and 22.0 of the Declaration

Limited Common Elements

The land area delineated and designated in the Condominium Map as limited common elements are limited common elements of a unit and consist of the following:

1. Yard Areas. Each unit has an appurtenant limited common element land area or yard. The limited common element yard areas are shown on the Condominium Map and also described below. Each of the limited common element land areas are subject to the utility easements, access and utilities reserves and other easements shown in the Condominium Map and/or described in this Declaration. The Developer has reserved the right to change the location of the easements which would be reflected in an amendment to the Condominium Map. This may also be required in connection with the subdivision and removal of a portion of the land as described in Sections 22.0 and 22.1 of the Declaration. Each unit owner is responsible for maintaining its own yard and all improvements located within its limited common element land area, unless such improvement is a common element or a utility line that is the responsibility of another unit owner. The yard areas are subject to flowage and utility easements as described in the Condominium Map and an owner will not be permitted to alter any improvements placed in such area by the Declarant or the Association. Each unit and its appurtenant limited common land area are subject to the easements described in Section 6.0 of the Declaration.
2. Mailboxes. The mailbox assigned to a unit shall be limited to the use of such unit. Each unit shall at all times have at least one mailbox appurtenant to it. The Developer shall determine the location of the mailboxes, numbering and assignment scheme for the mailboxes. An easement shall exist for the location of each mailbox.
3. Parking. Each unit shall have at least two parking stalls which may be open parking,

tandem stalls, or in a partially covered carport. There are 3 common visitor or guest parking stalls in this Project, as shown on the Condominium Map.

4. Other Limited Common Elements. All common elements of the Project which are rationally related to less than all of the units shall be limited to the use of such unit or units to which the same are related and shall be deemed limited common elements of such unit.

Limited Common Element Land Areas

Each unit's appurtenant limited common element land area are set forth below. For the spatial unit, that unit's boundary is the same as its appurtenant limited common element land area (excluding however, Limited Common Elements 1, 2 and 3 of Unit 270F). Some of the units and their appurtenant limited common element land areas are subject to easements, utility reserves, as shown on the Condominium Map. The net area the appurtenant limited common element land areas and the single spatial unit are as follows:

<u>Unit No.*</u>	<u>Unit Type</u>	<u>Land Area (approximate square feet)</u>	<u>Easements</u>
252A	Dwelling	3,824	Utility & Access Reserve (5 ft)
252B	Dwelling	4,645	Utility & Access Reserve (5 ft)
252C	Dwelling	2,221	---
252D	Dwelling	5,762	---
252E	Dwelling	5,346	---
270A	Dwelling	9,843	Easement 5 Sewer (10 ft)
270B	Dwelling	5,741	Utility & Access Reserve (5 ft)
270C	Dwelling	5,693	Utility & Access Reserve (5 ft)
270D	Dwelling	6,441	---
270E	Dwelling	6,321	---
270F	Spatial	11,362	---
	LCE 1	39,432	Easement 3 Sewer (10 ft)
	LCE 2	1,521	Easement 1 Access (24 ft)
	LCE 3	1,858	---
270G	Dwelling	7,806	Utility & Access Reserve (5 ft)

*On the Condominium Map each unit number is preceded by "45-___".

Note: (1) Each of the land areas described above are approximate. They were based on the Condominium Map. Only the width of the easement in reserve are noted.

(2) Unit 270F has four limited common element land areas. The land area comprised of 11,362 square feet is the "spatial unit" and it is intended that a dwelling will eventually replace the spatial unit. The height of the spatial unit is 25 feet above the ground level. The height of any improvements will be subject to the County Ordinances which may be higher or lower than 25 feet height of the spatial unit. Limited Common Element 1 (39,432 sq. ft.) of Unit 270F is the land area that will be removed from the Project upon completion of the subdivision.

(3) The above are not subdivided lots or areas. They are limited common element land areas.

(4) The existing house shown on the Condominium Map that sits on a portion of the limited common element areas of Units 270C, 270D and 270G was removed by the Developer in May, 2012.

EXHIBIT "C"

Encumbrances Against Title

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Master Plan road as shown on division map as mentioned in Deed dated May 11, 1967, recorded June 5, 1967, in the Bureau of Conveyances, State of Hawaii, in Book 5680, Page 244.
3. Mortgage dated June 13, 2011 in favor of Hawaiian Tel Federal Credit Union, organized and existing under the laws of Hawaii, recorded in said Bureau, as Document No. 2011-095722.
4. Condominium Map No. 5082, filed in the Bureau of Conveyances, State of Hawaii.
5. Covenants, conditions, and restrictions as contained in the Declaration of Condominium Property Regime of Pu'aa'e Road dated October 29, 2011, recorded in said Bureau, as Document No. A-45180815.
6. Bylaws of the Association of Unit Owners of Pu'aa'e Road, dated October 29, 2011, recorded in said Bureau, as Document No. A-45180816.
7. For Real Property Taxes that may be due and owing reference is made to the Department of Finance, City and County of Honolulu.

EXHIBIT "D"

Summary of Sales Contract

The Sales Contract contains the purchase price, description and location of the unit and other terms and conditions under which a Purchaser will agree to buy a unit in the Project.

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.
3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, Bylaws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:
 - a. substantially and materially impairs the use and enjoyment of the unit;
 - b. substantially and materially alters the arrangement of the rooms or usable space of a unit or building;
 - c. renders unenforceable a purchasers' loan commitment;
 - d. increases the purchaser's share of common expenses or maintenance fees;
 - e. reduces the obligations of Developer of common expenses on unsold units.
5. Provides that the Developer is selling the units in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the unit and Project.
6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.
7. Provides that the closing cost shall be paid as follows:
 - a. By purchaser: title insurance, title report, drafting of unit deed and any note and mortgage, purchaser notary fees, recording fees, one-half of escrow fees, and also a start fee for common expenses, if any.
 - b. By Developer: Developer notary fees, conveyance taxes and one-half of escrow fees.
8. Provides the following remedies, in the event of default under the Sales Contract:
by purchaser:

- contract;
 - a. Developer may bring an action against purchaser for breach of
 - b. Developer may retain initial deposit;
 - c. Purchaser shall be responsible for expenses incurred.

by Developer:

- Contract and for return of all deposits;
 - a. Purchaser may bring an action against Developer for breach of
 - b. Developer shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

9. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

10. Contains provisions relating to the Developer's reserved right to subdivide and remove a portion of the land from the Project.

11. Provides that the Buyer has the right to rescind the Sales Contract in certain instances. They include:

- a. Buyer having 30 days to cancel the Sales Contract from the date of receiving the Developer's Public Report and certain project documents; and

- b. If a Material Change occurs after Buyer's Sales Contract has become binding (See Section 514B-3, HRS for definition of Material Change).

The Sales Contract contains various other provisions which purchaser should become acquainted with. If there is a conflict between the terms of this summary and the Sales Contract, the latter shall control.

EXHIBIT "E"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is Fidelity National Title Company, Inc.. Under the Escrow Agreement dated May 17, 2012, these things will or may happen:

1. Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

2. Escrow will arrange for purchasers to sign all necessary documents.

3. The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

a. Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

b. Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

c. The unit deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

4. The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

a. If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

b. The Developer and purchaser agree to terminate the Sales Contract;

c. if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

5. The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted. If there are any conflicts between the terms of this summary and the Escrow Agreement, the latter shall control.

EXHIBIT "F"

Department of Planning and Permitting Letter
dated November 9, 2010

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

KIRK W. CALDWELL
ACTING MAYOR



DAVID K. TANDUE
DIRECTOR

ROBERT M. SUMITOMO
DEPUTY DIRECTOR

2009/ELOG-2712(LT)

November 9, 2010

RECEIVED NOV 10 2010

Mr. Peter Savio, President
Hawaiian Island Development Co., Inc
931 University Avenue, Suite 105
Honolulu, Hawaii 96826-3241

Dear Mr. Savio:

Subject: Condominium Conversion Project
45-248 Puuue Road
Tax Map Key: 4-5-084: 046

This is in response to your letter dated November 2, 2009, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the 11 one-story single-family detached dwellings and the two-story single-family detached dwelling with 19 all-weather-surface off-street parking spaces and eight unpaved off-street parking spaces met all applicable code requirements when they were constructed and relocated prior to 1967 on this 2.873-acre R-7.5 Residential-District-zoned lot.

Investigation also revealed that on March 23, 1995, an existing use permit (File No. 95/EU-001) was approved with conditions for 12 existing single-family detached dwellings.

For your information, the Department of Planning and Permitting cannot determine all nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

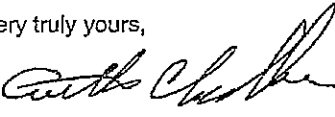
No variances or other permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

Mr. Peter Savio, President
Hawaiian Island Development Co., Inc
November 9, 2010
Page 2

If you have any questions regarding this matter, please contact Alex Sugai of our
Commercial and Multi-Family Code Enforcement Branch at 768-8151.

Very truly yours,


David K. Tanoue, Acting Director
Department of Planning and Permitting

DKT:ft

EXHIBIT "G"

Existing Use Permit

Summary of Applicable Conditions

The following is a summary of the pertinent restrictions, covenants, and provisions that are contained in Existing Use Permit 95/EU-1, as amended (the "EUP") by various modifications, and administered by the Department of Planning and Permitting ("DPP"). This is only a summary so a prospective purchaser should carefully review the terms of the EUP as it affects all of the units in the Project.

1. The EUP is only for the continued use, repair, alterations, additions, relocation and reconstruction of the 12 existing single-family dwelling units (Units 45-252 A through E and Units 45-270 A through G).

2. The EUP is applicable to proposed Lot A-1 which will consist of 85,630 square foot upon Final Subdivision Approval (DPP File No. 2009/SUB-258). Lot A-1 is the lot that the Project is situated on. Should this or a similar subdivision application not be approved, the EUP will be applicable to the original lot consisting of 125,132 square feet. Land Use Ordinance ("LUO") Section 21-2.100(a) provides that in the event of destruction of a dwelling the existing use may be continued and the structure rebuilt if such restoration is permitted under the Building Code and flood regulations and is started within two (2) years of its destruction.

NOTE: The area of the lot is 124,953 square feet. The Developer will correct this with DPP at the time it completes the subdivision and/or when it makes an additional amendment to the EUP.

3. All new work shall be in accordance with the LUO, including yard and height setbacks for structures around the project boundary. In addition to this and because a condominium property regime is created, other residential yard and height setbacks for the structures shall be measured from the limited common element boundaries of the applicable unit. Any modification of the approved EUP plans shall be approved by the DPP prior to issuance of building permits.

4. Modifications to the EUP that exceed the following limits will be considered "major" and amongst other matters will be subject to a Cluster Housing permit:

- (a) A modification that has potential adverse impacts on the surrounding land uses;
- (b) The number of dwelling units will increase beyond 12;
- (c) The reconstruction and/or expansion of the dwelling unit(s) are part of a larger development.

5. The maximum lot coverage for the Project is 30% of the Project's land area or 50% of each limited common element land area if a condominium property regime is created. Since a condominium property regime is created, the maximum lot coverage will be 50% of the limited common element land area of such unit.

6. Each unit shall have and maintain two parking stalls each, within its own limited common element, and the Project shall have three guest parking stalls located within its common elements. If a unit/dwelling is reconstructed or relocated then it shall be required to have a 16-

foot deep driveway fronting the carport or garage for additional guest parking within the unit's limited common element land area. Additionally any existing parking or carport/garage may not be converted into usable floor area.

7. Any proposed perimeter chain link fencing shall incorporate a 24-inch landscaping strip with a hedge trained to a 6-foot height and maintained in a healthy condition.

8. Any improvements to the EUP shall comply with Fire Department requirements for access, water, and/or Fire Department connections. These shall be submitted to the Fire Department for review and approval prior to issuance of building permits.

9. A draft copy of the condominium property regime was reviewed and approved by the DPP. As such the EUP, as amended, is incorporated into these documents. New structures in the Project shall be setback from the property and/or limited common element lines as required. Required unit and guest parking spaces shall be maintained. No structures, fences or walls shall be allowed within common areas in order to maintain vehicular and pedestrian access to each unit. All future improvements and additions, subsequent to creation of a CPR, shall require approval by the Homeowners Association prior to review by the DPP.

10. The EUP, as amended, along with this summary is incorporated into the condominium documents running with the land and will be made part of any sales agreement with future owners.

11. The EUP does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. Compliance with other regulations is subject to separate reviews.

12. The Director of DPP reserves the right to impose additional requirements, if necessary, to promote and protect the health, welfare, and safety of the people of the City and County of Honolulu.

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432



REMY HARRIS
MAYOR

PATRICK T. CONISHI
DIRECTOR

LORETTA H.C. CHEN
DEPUTY DIRECTOR

95-01394 (PS)

95/EU-1

March 23, 1995

Mr. Ronald Lee
625 11th Avenue
Honolulu, Hawaii 96816

Dear Mr. Lee: :

Subject: Existing Use Permit 95/EU-1
Project Name: Okumura Family Estate
Location: 45-270 A-E, 45-252 A-3 Puuao Road
Tax Map Key: 4-5-84: 46
Owner: Keith Okumura, et al

The application for the development is APPROVED as an Existing Use (EU) under Section 3.130 of the Land Use Ordinance (LUO) in accordance with the application plans DLU date-stamped January 16, 1995, subject to the following conditions:

1. Approval is only for the continued use, repair, alterations, additions, relocation and reconstruction of the 12 existing single-family dwelling units.
2. The structure containing an office, warehouse and storage area for nursery equipment, materials and other products related to the orchid farm at the site shall remain nonconforming and be subject to the nonconforming provisions of the LUO.
3. All new work shall be in accordance with the LUO, including yard and height setbacks for structures around the project boundary, and spacing between buildings shall be in accordance with cluster siting guidelines. Any modification to the EU plans shall be approved by the Department of Land Utilization (DLU) prior to issuance of building permits.
4. Modifications to the EU plans will not be allowed if:
 - a. the proposed modification has potential adverse impacts on surrounding land uses.
 - b. the number of dwelling units (12) will be increased.

Mr. Ronald Lee
Page 2
March 23, 1995

c. the reconstruction and/or expansion of the dwelling unit(s) are part of a larger development.

d. the expansion of any dwelling unit increases the EU approved floor area by more than two times.

Modifications which exceed these limits are considered Major and require processing of a Cluster Housing application.


5. All new work shall be compatible in design with the existing and surrounding structures, and be in the same general location and size. Floor plans shall be designed in order that the number of dwelling or lodging units will not be increased. Exterior entrances, stairways, bar areas, plumbing and electrical systems may be required to be deleted or revised to insure the approved number units are not increased.
6. Maximum lot coverage shall not exceed 30 percent of the original lot size of 125,132 square feet, or 50 percent of any lot of use (CPR lot), whichever is more restrictive.
7. A minimum of 27 parking spaces, including 2 stalls for dwelling units and 3 guest stalls, shall be maintained and any additions shall comply with parking regulations of the LUC. Existing parking spaces within carports or garages shall not be converted into useable floor area (including garage/carport storage).
8. Any proposed perimeter chainlink fencing shall incorporate a 24-inch landscaping strip with a hedge trained to a 6-foot height and maintained in a healthy condition. No fences will be allowed to be constructed along CPR use lines.
9. Any improvements to the EU shall comply with Fire Department requirements for access, water and/or Fire Department connections. These shall be submitted to the Fire Department for review and approval prior to issuance of building permits.
10. The DLU shall be informed of any action or intent to condominiumize. An approved condominium property regime map (CPR) and documents shall be submitted to the Department of Land Utilization. All future improvements and additions, subsequent to creation of a CPR, shall require approval by the Homeowners Association prior to review by the Department of Land Utilization.

Mr. Ronald Lee
Page 3
March 23, 1995

11. The applicant shall incorporate this Existing Use approval as part of the restrictive covenants running with the land and made a part of any sales agreement with any future owners.
12. This Existing Use approval does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. They are subject to separate review and approval.
13. The Director of Land Utilization shall reserve the right to impose additional requirements, if necessary, to promote and protect the health, welfare, and safety of the people of the City and County of Honolulu.

Should you have any questions, please contact Patrick Seguirant, Chief-Urban Design Branch, at 527-5369.

Very truly yours,


PATRICK T. ONISHI
Director of Land Utilization

PTO:st
cc: Building Department

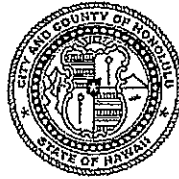
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FILE

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

850 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 768-8041
DEPT. WEB SITE: www.honolulu.gov/pp • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



DAVID K. TANOUÉ
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

2009/ELOG-2718(jp)
95/EU-1

December 10, 2009

Mr. Patrick Seguirant, Architect
91-1030 Kaihi Street
Ewa Beach, Hawaii 96706

Dear Mr. Seguirant:

Subject: Request for Minor Modification
Existing Use Permit No. 95/EU-1
Okumura Family Estate – 12 Units
45-270 and 45-252 Puuāe Road – Kaneohe
Tax Map Key 4-5-84: 46

We are pleased to inform you that your request (received November 13, 2009) to remove 41,132 square feet from the project site by subdividing it into two separate lots is APPROVED as a modification to the above permit.

Specifically, you propose to subdivide the subject lot into Lots A-1 (41,132 square feet) and A-2 (84,000 square feet). The proposed lot subdivision shall be in substantial conformance with the approved site plan, referred hereto as Attachment E, which has been made a part of the file. All existing homes will be located within proposed Lot A-2, with A-2 being encumbered by this permit, as amended. As a result, we will modify Condition 6 to read as follows:

6. Maximum lot coverage shall not exceed 30 percent of the [original] revised lot size of [125,132] 84,000 square feet, or 50 percent of any lot of use (CPR lot), whichever is more restrictive.

In accordance with the Land Use Ordinance and the regulations of the Existing Use Permit (which is based on Cluster Housing development standards), the minimum land area in a R-7.5 Residential District is 22,500 square feet and the minimum land area per dwelling unit is 7,000 square feet. Your proposal will provide the minimum 84,000 square feet of land area required to support the 12 existing dwelling units. The total building area of the existing dwelling units is 13,747 square feet or approximately 16 percent of the lot area which is less than the 30 percent maximum allowed.

Mr. Patrick Seguirant
December 10, 2009
Page 2

The revised condition shall take effect upon approval of a subdivision to create the proposed lots. **If a subdivision approval is not obtained within two years of the date of this letter, then this approval shall be null and void.** All other conditions shall remain in effect.

Please note that approval of this request does not constitute approval of your subdivision. Subdivision approval is subject to a separate application, review and procedure. Any action or intent to condominiumize any portion of Lots A-1 or A-2 shall require a Draft Declaration of Restrictive Covenants submitted to our department for review subsequent to approval of the subdivision.

We have enclosed the receipt for the filing fee. If we can be of further assistance, please contact Joan Pawsat of our staff at 768-8056.

Very truly yours,


for David K. Tanoue, Director
Department of Planning and Permitting

DKT:nw
Encl: Receipt No. 77932

cc: Wayne Sadoyama
Tina A. Yawata-Okumura

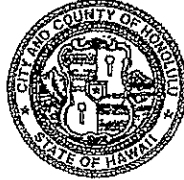
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FILE

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

850 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov/pp • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANOUÉ
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2010/ELOG-2424(IW)
95/EU-1

February 1, 2011

Mr. Patrick Seguirant, Architect
91-1030 Kaihi Street
Ewa Beach, Hawaii 96706

Dear Mr. Seguirant:

Subject: Request for Minor Modification
Existing Use Permit No. 95/EU-1
Okumura Family Estate – 12 Units
45-270 and 45-252 Puʻaʻe Road - Kaneohe
Tax Map Key 4-5-84: 46

This is in response to your request (received November 9, 2010 and January 26, 2011) for a minor modification to the above permit. The request includes a proposal to relocate an existing dwelling (Unit No. 45-252C) to another part of the site and reconfigure the required off-street parking, in accordance with the "Proposed CPR Layout" plan attached herewith as Exhibit A, to facilitate conversion of the project site to a Condominium Property Regime (CPR). You also request that Conditions 4d and 6 be deleted and amended, respectively, to clarify permitted expansion and reconstruction of existing dwellings for future CPR lot owners.

We have reviewed the proposed layout and determined that it does not differ significantly from the approved site plan of the above existing use (EU) permit (No. 95/EU-1) approved on March 23, 1995, as amended on December 10, 2009 (see Exhibit B). No changes to the existing dwellings are proposed, except for construction of new foundation and stairs to the dwelling to be relocated (see Exhibit C); and most of the required parking stalls will be located within the limited common element of each unit, except for the two required parking spaces for Unit 45-252E and the three guest parking stalls which will be in the common element driveways. However, the lot on which the 12 existing single-family dwelling units are located (Lot A-1) was reduced in size from 125,132 square feet to 85,630 square feet with the subdivision of the property into two separate lots (Subdivision File No. 2009/SUB-258); the nonconforming nursery and related structures have since been removed from the property; and ownership of the dwellings will be transferred from one entity to multiple families with the conversion to CPR ownership. Hence, modification of and/or update to the applicable conditions of the EU approval is necessary to reflect the above and establish provisions for reconstruction and/or expansion of existing dwellings for future homeowners.

Your request is **APPROVED** as a minor modification to the above EU permit subject to the following amended Conditions as discussed below:

2. ~~[The structure containing an office, warehouse and storage area for nursery equipment, materials and other products related to the orchid farm at the site shall remain nonconforming and be subject to the nonconforming provisions of the LUO.]~~ This EU Permit pertains to Lot A-1, as shown in Subdivision File No. 2009/SUB-258, which consists of 85,630 square feet and 12 single-family dwellings. In accordance with LUO Section 21-2.100(a), in the event of destruction, the existing use may be continued and structures may be rebuilt under the approved plan, provided that such restoration is permitted by the building code and flood hazard regulation and is started within two years.
3. All new work shall be in accordance with the LUO, including yard and height setbacks for structures around the project boundary ~~[, and spacing].~~ If the property is condominiumized, then new work shall comply with required yards and height setbacks of the underlying zoning district as measured from the limited common element lines. Spacing between buildings shall be in accordance with cluster siting guidelines[,], which is 10 feet between two one-story dwellings; 15 feet between a one-story and a two-story dwelling, or portion thereof; and 20 feet between two two-story dwellings. Any modification to the EU plans shall be approved by the Department of [Land Utilization (DLU)] Planning and Permitting (DPP) prior to issuance of building permits.
4. Modifications to the EU plans will not be allowed if:
 - a. the proposed modification has potential adverse impacts on surround land uses.
 - b. the number of dwelling units (12) will be increased.
 - c. the reconstruction and/or expansion of the dwelling units(s) are part of a larger development.
 - ~~[d. the expansion of any dwelling unit increases the EU approved floor area by more than two times.]~~

Modifications which exceed these limits are considered Major and require processing of a Cluster Housing application.

6. Maximum lot coverage shall not exceed 30 percent of the revised lot size of ~~[84,000]~~ 85,630 square feet ~~[, or 50 percent of any lot of use (CPR lot), whichever is more restrictive].~~ If the property is condominiumized, then within each limited common element, the maximum building area shall not exceed 50 percent of the area of each limited common element.
7. A minimum of 27 parking spaces, including 2 stalls for dwelling units and 3 guest stalls, shall be maintained and any additions shall comply with parking regulations of the LUO. Existing parking spaces within carports or garages shall not be converted into useable floor area (including garage/carport storage). If the project is condominiumized, reconstructed or relocated dwellings shall have a minimum

16-foot driveway depth fronting the carport or garage to allow for additional guest parking spaces within the limited common elements.

10. The [DLU] DPP shall be informed of any action or intent to condominiumize. If the project is condominiumized, and prior to issuance of any building permit or transfer of ownership subsequent to this approval, whichever occurs first, a draft copy of the [An approved] condominium property regime (CPR) map and documents shall be submitted to the [Department of Land Utilization] DPP for review and approval prior to recordation at the Bureau of Conveyances. The draft copy of the CPR map and documents shall show and/or include:
 - a. The required yards (setbacks) for each CPR lot; the setbacks of all structures from the property and/or CPR lot lines; the designation of parking stalls for the individual dwelling units; and compliance with HFD requirements for the EU site;
 - b. Common access designated, preserved and maintained to facilitate vehicular maneuvering and pedestrian access into and out of the project. No structures, fences, walls or parking (except for the three guest parking stalls and two parking stalls for Unit No. 45-252E as permitted by this EU permit) shall be allowed in this area, the boundaries of which shall be designated in the CPR documents; and
 - c. This EU permit shall be incorporated into the CPR documents.

All future improvements and additions, subsequent to creation of a CPR, shall require approval by the Homeowners Association prior to review by the [Department of Land Utilization] DPP.

13. The Director of [Land Utilization] Planning and Permitting shall reserve the right to impose additional requirements, if necessary, to promote and protect the health, welfare, and safety of the people of the City and County of Honolulu.

The existing dwellings were constructed or relocated to the site prior to 1967, and have remained essentially the same, since no building permits for renovation or expansion were issued for the site since then. All except one of the dwellings are one-story. Most are relatively small: 10 out of 12 dwelling units have floor area ranging from 678 square feet to 964 square feet, half of the units have less than 1,000 square feet in building area, and most have only one bathroom. It is anticipated that with the proposed conversion of the site to a CPR and the dwellings sold to multiple owners, new owners will seek building permits for renovations and/or expansion of the existing dwellings.

Condition 4d limits expansion of any dwelling unit to a maximum of twice its existing floor area; while Condition 6 limits lot coverage to 30 percent of site area or 50 percent of CPR, whichever is more restrictive. Condition 4d would limit most of the dwelling to between 1,200 and 1,800 square feet in total floor area, while the permitted lot coverage may be higher based on Condition 6. You noted that dwellings in residential districts, including those governed by EU permits issued in recent years, are regulated by building area and not floor area, and you requested that Condition 4d be deleted in favor of allowing Condition 6 to govern future reconstruction and/or expansion by building area. As for Condition 6, you stated that it would be

Mr. Patrick Seguirant
February 1, 2011
Page 4

unfair for future homeowners in that it will be implemented on a first come first serve basis, and DPP would have to maintain a running tally of building area to determine when the required limit would be reached. In lieu of the above, you requested that it be amended in favor of allowing reconstruction and/or expansion by CPR lot area, i.e., 50 percent of each CPR lot.

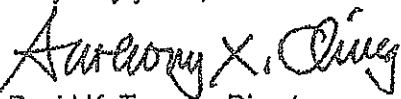
In the interest of streamlining the plan review process, and to avoid potential conflicts between Conditions 4d and 6, the request to delete Condition 4d in favor of allowing future reconstruction and/or expansion to be regulated by only building area is reasonable. This is consistent with the way dwellings are regulated in residential districts and under EU permits issued in recent years. Similarly, a standard condition for EU projects that are condominiumized is to allow building area for each CPR lot to be based on the CPR lot size, generally 50 percent of the CPR lot size. While the cumulative total lot coverage of the CPR lots for this project may exceed the more restrictive 30 percent total lot coverage, it will be below the 50 percent permitted in residential districts, and it meets the cluster housing standards relating to minimum land area and permitted density. Similar to dwelling units in residential districts, required yards and height setbacks for CPR lots shall be as measured from the CPR lot boundaries, but additional requirements such as spacing between dwellings and minimum 16-foot driveway depth for guest parking within the CPR lot are also included as standard conditions. This would streamline the permit review process and eliminate the inequity of the first come first serve system based on the more restrictive 30 percent lot coverage.

The revised conditions also included provisions for inclusion of the EU conditions in the CPR map and documents to serve as notice to all future homeowners of the development standards of each individual CPR lot. Therefore, to ensure that the development complies with all applicable LUO standards, prior to the submittal of any development permits for the EU site or transfer of ownership, whichever occur first, the applicant will be required to submit a draft copy of the CPR map and documents to the DPP for its review and approval.

All other conditions of the existing use permit shall remain in effect.

We have enclosed the receipt for the filing fee. If we can be of further assistance, please contact Lin Wong of our staff at 768-8033.

Very truly yours,

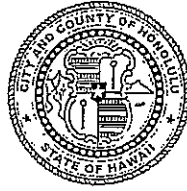

FOR David K. Tanoue, Director
Department of Planning and Permitting

DKT:nw
Encl: Receipt No. 83015

cc: Peter Savio
Keith S. Okumura Trust
Mitzi M. Okumura
Tina A. Okumura

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honoluluudpp.org • CITY WEB SITE: www.honolulu.gov



PETER B. CARLISLE
MAYOR

DAVID K. TANQUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2011/ELOG-1756(lw)
95/EU-1

September 26, 2011

Mr. Patrick Seguirant, Architect
91-1030 Kaihi Street
Ewa Beach, Hawaii 96706

Dear Mr. Seguirant:

Subject: Revised Site Plan
Existing Use Permit No. 95/EU-1
Okumura Family Estate – 12 Units
45-270 and 45-252 Puuāe Road - Kaneohe
Tax Map Key 4-5-84: 46

This is in response to your request (received August 8, 2011) to revise the site plan and reconfigure the required off-street parking, in accordance with the "Proposed CPR Layout" plan submitted. We are pleased to inform you that your request is **APPROVED**, subject to the receipt of a revised site plan (11" x 17") showing all three guest parking stalls located in the common areas. All other conditions of the Existing Use Permit, as modified (February 1, 2011), shall remain in force.

The existing use (EU) permit was approved on March 23, 1995, for 12 single-family dwellings with 27 parking stalls on the subject property. A minor modification to the EU Permit was approved on December 10, 2009, to allow a subdivision of the subject property into two separate lots. Tentative Approval was granted to the subdivision application (No. 2009/SUB-258) on August 26, 2010. The 12 dwellings and 27 parking spaces are located on Lot A-1 (85,630 square feet) while the remaining lot, Lot A-2, is vacant. Subsequent to the subdivision, a minor modification to the EU Permit was granted on February 1, 2011, to relocate an existing dwelling (Unit No. 45-252C) to another part of the site, reconfigure the required off-street parking, and amend conditions relating to the expansion and reconstruction of existing dwellings. Upon further examination of the site and dwellings' conditions, the applicant has since amended the site plan. The current proposal is to demolish Unit No. 45-270F, which has severe termite damage, and construct a replacement unit on another location of the lot; retain Unit No. 45-252C at its current location; and reconfigure the parking stalls to accommodate the proposed modifications.

We have determined that the proposal does not differ significantly from the approved site plan of the above existing use permit, as modified; the number of existing dwellings and required off-street parking spaces remain the same; and it will not impact surrounding properties. As such, the request is reasonable. However, the applicant must revise the site plan to relocate

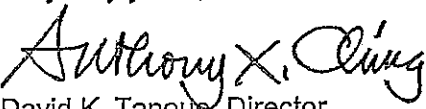
Mr. Patrick Seguirant
September 26, 2011
Page 2

the two guest parking stalls on the southern portion of the site out of the limited common elements, and submit a revised site plan (11" x 17"), including building area and building setbacks (as measured from the proposed limited common elements) for our files.

Please be advised that the applicant is required to submit draft copies of the condominium property regime (CPR) map and documents for DPP review and approval prior to the recordation with the Bureau of Conveyances, in accordance with Condition 10 of the EU Permit, as modified.

If we can be of further assistance, please contact Lin Wong of our staff at 768-8033.

Very truly yours,

FOR 
David K. Tanoue, Director
Department of Planning and Permitting

DKT:nw

Doc879882

EXHIBIT "H"

Reserved Subdivision Rights

The following provisions are contained in the Declaration for the Project. The Declarant is also known as the Developer.

1. Notwithstanding anything to the contrary contained in the Declaration, Declarant reserves the right at any time and from time to time until December 31, 2025, in Declarant's sole discretion and without the consent of any Unit owner, the Association, the Board, any holder of a mortgage or other lien interest or any other person or entity who has or may have a legal beneficial interest in the Project or a Unit (other than Declarant) (collectively "Interested Third Parties", and singly, "Interested Third Party"):

a. To subdivide the land, so that Limited Common Element 1 as shown on the Condominium Map is a single subdivided lot and the remaining portion of the land is another subdivided lot; and

b. To change development entitlements applicable to the land and Project. Such changes may include, without limitation, increasing allowable building lot coverage, floor areas, densities and changing the permitted uses and other standards for development (collectively the "Subdivision Rights").

2. The following provisions shall apply in connection with the Declarant's exercise of the Subdivision Rights:

a. Declarant may obtain all permits or approvals from the Department of Planning and Permitting, and any other governmental authority or agency (collectively the "Government Entities") deemed by Declarant to be necessary or desirable, including without limitation, cluster permits, existing use permits, site development plan approvals, variances, use permits, rezoning, amendments to development plans or amendments to any of the foregoing;

b. Declarant may obtain easements, licenses and other grants and subdivision approvals deemed by Declarant to be necessary or desirable in order to obtain services for utilities and access purposes over, under and across the land (as it may be amended) or portions thereof (even if such portions may be removed from the Project under Section 22.1), including grant of any easements for utility purposes within the Utility and Access Reserve shown on the Condominium Map;

c. Upon the written request of the Declarant, a Unit owner and any Interested Third Party shall execute and deliver documents (such as applications and agreements of any kind with any Government Entities and any utility provider) and shall take all actions requested by Declarant in connection with the exercise of the Subdivision Rights. If a Unit owner or other Interested Third Party shall fail to do so promptly after request, then Declarant may act on behalf of the Unit owner or other Interested Third Party in executing documents or taking such action;

d. Declarant shall pay all costs and expenses incurred in connection with the exercise of the Subdivision Rights, unless such costs and expenses are incurred because of the failure of a Unit owner or other Interested Third Party to perform his obligations under the Declaration. In such latter event, costs and expenses shall be paid for by the person who shall not have performed his or her obligations under the Declaration; and

e. Declarant may for itself and on behalf of Unit owners or other Interested Third Parties or any of them sign and deliver all documents (such as applications and agreements

of any kind) and take all actions that Declarant may deem necessary or desirable ("Documents and Actions"), and the delivery of any such Documents or taking of such Actions shall be sufficient determination. The Documents and Actions may be delivered, taken or entered into with respect to any Government Entities, including without limitation, the City and all public or quasi-public agencies or companies that provide or will provide utility services to the Project.

Reserved Rights of Declarant to Remove Land From Project

1. Right to Remove. If the land shall have been legally subdivided in accordance with Section 21.0, then notwithstanding anything to the contrary contained in the Declaration, Declarant may, without the payment of any consideration and without the joinder of any Unit owner or other Interested Third Party, at any time and from time to time until December 31, 2025, delete and remove from the Project the legal lot created for Limited Common Element 1 as a result of any such subdivision (with or without the Unit or Units located thereon) ("Land Removal"), subject to the following:

a. All costs and expenses in connection with the Land Removal shall be paid for by the Declarant, unless such expenses are incurred because of a Unit owner's failure to deliver documents or to take actions as required under the Declaration. In the event of a Unit owner's failure to perform his foregoing obligations under the Declaration, the expenses and other costs incurred by the Declarant shall be paid for by the Unit owner failing to deliver the document or take the action.

b. The Land Removal shall not affect the layout, location, dimensions, structure (if any) or use of any remaining Unit(s) (or the limited common element land areas appurtenant to such Unit) unless such Unit is owned by Declarant (or assignee of Declarant's developer's rights) or such area comprises only a small portion of a Unit or its appurtenant limited common element land area due to boundary adjustments as may be required or imposed by the Government Entities in connection with the subdivision. The owner of the unit whose limited common land area may be decreased due a slight boundary adjustment shall not be entitled to any compensation for such decrease in area unless such decrease is greater than 5% of its original limited common element land area.

c. In connection with the Land Removal, Declarant may (A) grant easements and other rights for the benefit of the portion of the land being removed from the Project over the common elements (exclusive of limited common elements) of the Project and (B) grant easements and other rights for the benefit of the Units remaining in the Project over the portion of the land being removed from the Project.

2. Amendments to Declaration and Condominium Map. In connection with the Land Removal, Declarant shall sign and record in the Recording Office, without the payment of any consideration and without the consent or joinder of any Unit owner or other Interested Third Party, an amendment (or amendments) to the Declaration and the Condominium Map and shall deliver to the Board a copy of the recorded amendment to the Declaration and the Condominium Map, which shall contain the following:

a. A description of the unit numbers of each of the Units remaining in the Project;

b. A description of the limited common elements appurtenant to each of the Units remaining in the Project and a description of the common elements remaining in the Project;

c. The percentage of common interest appurtenant to each Unit remaining in the Project if such is changed;

d. An amended site map depicting the land, other common elements, the limited common element land areas appurtenant to the Units remaining subject to the condominium property regime;

e. Any revised common and limited common elements and additional or revised elements which shall thereafter be appurtenant to the remaining Units in the Project or appurtenant to the portion of the land that is being removed from the Project; and

f. Such other matters that Declarant deems necessary or desirable to effectuate the Land Removal.

3. Closing upon Removal of a Portion of the Land without Removing a Unit. If in accordance with (a), a portion of the land shall be removed from the Project without also removing a Unit from the Project, then concurrently a closing shall occur as follows:

a. Each of the Unit owners shall sign and deliver a conveyance instrument in favor of the Declarant (or its nominee) conveying to such Declarant (or its nominee) the interest of such Unit owner in the Removed Land, together with all improvements situated thereon and all appurtenant rights thereto, but subject to easements, restrictions and covenants of record affecting such land area other than the Declaration, Bylaws and Condominium Map, as each may have been amended;

b. Each of the Unit owners shall cause to be delivered to the Declarant (or its nominee) a recordable release from any mortgage or other lien which encumbers the Removed Land being conveyed to the Declarant (or its nominee) by such Unit Owner; and the holder of such mortgage or lien, if any, shall sign and deliver an amendment or release from any such mortgage or lien encumbering the Removed Land.

In lieu of the foregoing the Declarant may on behalf of each unit owner execute all documents and instruments above as the attorney in fact of such unit owner as provided by Section 25.0.

Partial Cancellation of Condominium Project.

If the land shall have been legally subdivided and removed in accordance with Section 22.1, Declarant may, without the joinder of any Unit owner or other Interested Third Party, at any time and from time to time until December 31, 2025, elect to cancel the Declaration and remove that portion of the land from the Project and the condominium property regime in accordance with 514B-47 of the Act. Any cancellation shall not affect the Condominium Property Regime on the remaining portion of the land.

EXHIBIT "I"

Architect Inspection Report
Dated April 17, 2012

April 17, 2012

Mr. Keith S. Okumura
45-252B Pu'aae Road
Kaneohe, HI 96744

Project: Pu'aae Road Condominium
45-252 and 45-270 Pu'aae Road – Kaneohe, Oahu
Tax Map Key 4-5-084:046

Dear Mr. Okumura:

On Friday, September 16, 2011, Wednesday, September 21, 2011, and Thursday, September 22, 2011 I made a limited visual observations of the structures and plumbing and electrical systems of the eleven (12) dwellings whose addresses are 45-252A, 45-252B, 45-252C, 45-252D, 45-252E, 45-270A, 45-270B, 45-270C, 45-270D, 45-270E, 45-270F, and 45-270G Pu'aae Road (the "Project"). I was able to walk around and enter the structures. Dwellings 45-252A, 45-252B, 45-252C, 45-252D, 45-252E, 45-270A, and 45-270B contain carports. The rest of the dwellings do not have carports.

Based on building permit research performed during the Existing Use application process the buildings in the Project appear to have been built between 1937 and 1967. The dwellings are of single-wall post and pier construction. In general, the dwellings and carports are subject to wear and tear commensurate with its age, its use as a rental property, and location in a wet environment. However, the state of disrepair for some units is very poor. My observations of the dwellings and carports are as follows:

1. Some of the buildings and related structural components appear to be in poor structural condition. Some wood members in a majority of the dwellings have experienced some sort of termite or water damage. This damage has occurred in posts, beams, rafters, joists, flooring, trims and doors, slats, water stops, slats, siding, doors and windows. There is no recent record of termite inspections being performed on the dwellings. There are many aspects of the current buildings that do not meet current building code requirements. Some of these conditions could be determined to be nonconforming by a county building code official.
2. Damage to structural members in some of the dwellings is significant causing structural instability. More detailed inspections, treatment, and/or repairs to mitigate the presence of termites and termite/water damage are recommended. Dwellings that which have sustained more significant structural damage, such as Unit 270A, Unit 270C, and Unit 270F require more substantial repair and/or replacement of its damaged members.
3. The exterior painted surfaces on most of the dwellings are in poor condition as there is evidence of cracking, peeling and spalling paint throughout many of the homes in the Project.

4. Interior portions of many of the dwellings contained fixtures and cabinetry that appeared to be part of the dwellings original construction. Some of the wood flooring, interior walls, and cabinetry in some of the dwellings show evidence of termite and water damage. Failure of caulking and/or plumbing in at least Unit 270C has caused very poor conditions. This has contributed to hidden water damage and partial failure of the surrounding wood floor members.
5. The roofing for all dwellings appeared to be intact for a majority of the units. Leaks were reported and/or readily apparent in the some of the carport roofs. In particular, Unit 252A and Unit 270B carport roofs leaked. Unit 270B's carport roof sustained such severe rotting of roofing and roof planks that daylight was visible through large gaps in the carport roof. In addition, evidence of current interior ceiling damage caused by a leaky roof was observed in Unit 270C.
6. The electrical systems of most of the dwellings appear original. Electrical power and telephone services have been provided through pole mounted service lines and should be engineered to meet current code requirements. A majority of the electrical equipment is well past its useful life and in poor condition. There are many aspects of the current electrical service that do not meet current codes.

Some electrical fixtures were not in working condition. A majority of the homes lacked proper circuit grounding, arc-fault protected circuits, and smoke detection systems. Many of the circuit breaker panels are also in poor condition. The panel for Unit 270D is in such poor condition that it should be replaced as soon as possible. More detailed inspections, of individual units, are recommended to determine the adequacy of electrical systems and whether these systems should be upgraded in part or replaced in its entirety.

7. The plumbing systems of the dwellings appear original. Each dwelling is individually metered with the water meters located on Pu'aa'e Road. Partial plumbing system improvements for some of the homes were made. Cast iron and galvanized steel piping was prevalent in the majority of dwellings. Some copper piping was observed, apparently installed where repairs or alterations were done. Corrosion at both cast iron and galvanized steel piping was observed.

Some fixtures were not in working condition, and the water pressure was low at some of the plumbing fixtures. Frozen fixtures, valves, clogged and leaky pipes and fixtures were observed. Discolored water was observed in some of the units. This is sometimes an indication of corrosion or rusting of the interior surfaces of the pipes. While there may be other reasons for discoloration of the domestic water, it is evidence the water quality of some of the units has been compromised and more detailed inspections and/or repairs to the water system at many of the dwellings are recommended.

None of the houses have a garbage disposal unit. All cooking and water heating is with electricity. There is no gas used for these appliances.

8. I have been informed that a more thorough inspection of the water and sewer lines was performed by a licensed plumber. A copy of the plumbers report is available from the Owner.

9. It was evident that work on some of the units was performed without the proper building permits. This was observed for Unit 252D, Unit 270A, and Unit 270E. This may be true for other dwellings as well. At the time of my site visits, renovation work was on-going at Unit 270A. It is my understanding the Owner will disclose areas of work performed on dwellings without building permits.

The observations made are to the best of my knowledge. My observations during these site visits did not include invasive or destructive testing, so the extent of damage or deterioration was not determinable. Due to my limited observations, the existence of lead paint, asbestos, environmentally toxic materials, air quality, and other problems were not observable. Retention of specialty contractors is needed to test for these conditions. In addition, my visits did not include observations or testing for foundation or soil conditions, soil quality, roofing, termite or other pests, laboratory testing, study of nonconformities, site drainage or flooding, below grade utilities, mold, sidewalk or storm drain improvements, traffic safety, landscape features, property line encroachments, or water infiltration on the Project. A decision to test for these conditions and/or to follow up with the recommendations made herein should be made by a management company and/or Owner(s).

I have been informed that the Owner will be disclaiming any warranties relating to the construction, materials, design or workmanship of the dwellings, soil or the common elements of the Project, except that the Owner will be transferring the interior appliances and the electrical, and plumbing systems for individual units in an "as-is" condition. Accordingly, I am not making any statement or representation as to the remaining useful life of the items referenced above. Further, my visual observations should not be a substitute for a more complete inspection by a prospective buyer of a unit in the Project. A prospective buyer is urged to understand the importance of making his own investigation or having an investigation made by trained professionals of the unit and the Project.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Seguirant", with a stylized, cursive script.

Patrick Seguirant, Architect

EXHIBIT "J"

Estimate of Initial Maintenance Fees
and
Estimate of Maintenance Fee Disbursements
For
Puaae Road CPR

Estimate of Initial Maintenance Fees:

Apartment Type	Monthly Fee	X 12 Months	= Yearly Total
252A, 252B, 252C, 252D, 270A, 270B, 270C	\$ 76.25		\$ 915.00
270D, 270E, 270F, 270G	\$ 76.26		\$ 915.12

Unit owners shall not be obligated for the payment of their respective shares of the common expenses until such time as the Developer files with the Real Estate Commission an amended abstract or other notice providing that, commencing upon a date certain stated in the amended abstract or other notice, each Unit owner shall become obligated to pay his respective share of the common expenses.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

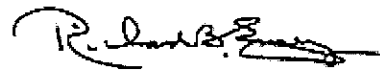
Estimate of Maintenance Fee Disbursements: For maintenance and service of the Common Elements only.

Monthly Fee X 12 Months = Yearly Total

Maintenance, Repairs and Supplies		
Supplies	\$ 25.00	\$ 300.00
Management		
Administrative Supplies	\$ 20.00	\$ 240.00
Audit/Tax Fees	\$ 30.00	\$ 360.00
Management Fee	\$ 419.00	\$ 5,028.00
Management Reimbursable Expenses	\$ 40.00	\$ 480.00
GET Taxes	\$ 1.00	\$ 12.00
Insurance		
Fidelity Bond	\$ 30.00	\$ 360.00
General Liability	\$ 65.00	\$ 780.00
Umbrella	\$ 85.00	\$ 1,020.00
Directors Officer & Liability	\$ 75.00	\$ 900.00
Other: Miscellaneous	\$ 25.00	\$ 300.00
Reserves (*)	\$ 100.00	\$ 1,200.00
TOTAL	\$ 915.00	\$ 10,980.00

Each unit is separately metered for electricity, water, and sewer charges.

I, Richard Emery, as agent and employed by Hawaii First Inc., the condominium managing agent for the Puaae Road CPR condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Dated: November 8, 2011

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514B-148, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

The Developer's management contract with Hawaii First Inc., the Managing Agent, requires the agent to prepare a certified professional Reserve Study for the first full fiscal year that follows the association's first year after the annual meeting as a part of the annual budget.